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Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 [Japanese GAAP]



May 12, 2023

Company name: Oriental Shiraishi Corporation
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 1786
 URL: <https://www.orsc.co.jp/english/>
 Representative: Tatsuya Ohno, President and CEO
 Contact: Yukihiko Hashimoto, Director in Charge of Corporate Planning
 Phone: +81-3-6220-0630
 Scheduled date of general shareholders' meeting: June 23, 2023
 Scheduled date of commencing dividend payments: June 26, 2023
 Scheduled date of filing securities report: June 23, 2023
 Availability of supplementary explanatory materials on annual financial results: Not available
 Schedule of annual financial results briefing session: Scheduled (for investors and analysts)

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 - March 31, 2023)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2023	61,480	1.2	5,214	(1.8)	5,427	(0.6)	3,922	3.8
March 31, 2022	60,726	–	5,308	–	5,460	–	3,778	–

(Note) Comprehensive income: Fiscal year ended March 31, 2023: ¥3,911 million [2.0%]
 Fiscal year ended March 31, 2022: ¥3,835 million [–%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2023	33.76	–	9.7	8.5	8.5
March 31, 2022	32.48	–	10.8	9.4	8.7

(Reference) Equity in earnings of affiliated companies: Fiscal year ended March 31, 2023: ¥– million
 Fiscal year ended March 31, 2022: ¥– million

(Note) 1: Diluted earnings per share are not indicated as there are no potential shares.

(Note) 2: Percentage change figures from the previous fiscal year are not indicated for the fiscal year ended March 31, 2022 as the Company began creating consolidated financial statements with the results of the first quarter of the fiscal year ended March 31, 2022.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2023	66,787	41,617	62.3	358.22
As of March 31, 2022	60,952	38,989	64.0	335.63

(Reference) Equity: As of March 31, 2023: ¥41,617 million
 As of March 31, 2022: ¥38,989 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2023	4,081	(1,231)	(2,259)	13,903
March 31, 2022	8,694	(1,942)	(2,092)	13,312

2. Dividends

	Annual dividends					Total dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2022	–	0.00	–	11.00	11.00	1,285	33.9	0.3
March 31, 2023	–	0.00	–	13.50	13.50	1,577	40.0	3.9
March 31, 2024 (forecast)	–	6.50	–	7.00	13.50		–	

(Note): Revisions to dividend forecasts announced most recently: Yes

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 - March 31, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	69,000	12.2	5,200	(0.3)	5,200	(4.2)	3,600	(8.2)	30.99

* Notes:

(1) Changes in significant subsidiaries during the fiscal year under review: None

(Changes in specified subsidiaries resulting in changes in scope of consolidation)

Newly included: (Company name:)

Excluded: (Company name:)

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(3) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the year (including treasury shares):

March 31, 2023:	122,498,436 shares
March 31, 2022:	122,498,436 shares

2) Total number of treasury shares at the end of the year:

March 31, 2023:	6,321,246 shares
March 31, 2022:	6,330,932 shares

3) Average number of shares during the year:

Year ended March 31, 2023:	116,173,201 shares
Year ended March 31, 2022:	116,334,926 shares

* These consolidated financial results are outside the scope of audit by certified public accountants or an audit firm.

* Explanation of the proper use of financial results forecast and other notes

Financial results forecast and other forward-looking statements presented herein are based on the information the Company currently possesses and the assumptions it deems reasonable. Actual outcomes, etc. may diverge significantly from them due to wide-ranging factors.

3. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	13,998	14,589
Notes receivable, accounts receivable from completed construction contracts and other	29,496	34,254
Costs on construction contracts in progress	497	869
Raw materials and supplies	262	283
Advances paid	972	1,092
Income taxes refund receivable	–	41
Consumption taxes refund receivable	94	129
Other	325	322
Allowance for doubtful accounts	(3)	(2)
Total current assets	45,645	51,579
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,920	1,837
Machinery and equipment, net	2,228	2,198
Land	5,190	5,189
Construction in progress	120	105
Other, net	311	274
Total property, plant and equipment	9,771	9,604
Intangible assets		
Goodwill	1,274	1,132
Software	676	509
Other	392	198
Total intangible assets	2,343	1,841
Investments and other assets		
Investment securities	2,806	3,069
Retirement benefit asset	44	21
Deferred tax assets	54	348
Other	331	363
Allowance for doubtful accounts	(44)	(41)
Total investments and other assets	3,192	3,761
Total non-current assets	15,306	15,207
Total assets	60,952	66,787

(Million yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts	9,130	10,160
Short-term borrowings	1,200	900
Current portion of long-term borrowings	658	588
Accounts payable - other	512	829
Income taxes payable	432	1,236
Accrued consumption taxes	629	2,108
Advances received on construction contracts in progress	1,773	2,300
Deposits received	1,042	636
Provision for bonuses	15	14
Provision for loss on construction contracts	104	329
Provision for warranties for completed construction	68	50
Other	334	434
Total current liabilities	15,901	19,589
Non-current liabilities		
Long-term borrowings	3,199	2,611
Stock-based compensation allowance	65	93
Provision for special repairs	2	3
Retirement benefit liability	2,448	2,716
Deferred tax liabilities	289	79
Other	56	77
Total non-current liabilities	6,060	5,580
Total liabilities	21,962	25,170
Net assets		
Shareholders' equity		
Share capital	1,000	1,000
Capital surplus	453	453
Retained earnings	37,718	40,354
Treasury shares	(458)	(456)
Total shareholders' equity	38,713	41,352
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	464	494
Remeasurements of defined benefit plans	(188)	(228)
Total accumulated other comprehensive income	275	265
Total net assets	38,989	41,617
Total liabilities and net assets	60,952	66,787

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Net sales		
Net sales of completed construction contracts	60,726	61,480
Cost of sales		
Cost of sales of completed construction contracts	50,333	50,654
Gross profit		
Gross profit on completed construction contracts	10,392	10,825
Selling, general and administrative expenses	5,084	5,610
Operating profit	5,308	5,214
Non-operating income		
Interest income	6	6
Dividend income	45	53
Patent royalties	109	60
Gain on sale of scraps	56	127
Other	60	69
Total non-operating income	277	316
Non-operating expenses		
Interest expenses	25	18
Advances received deposits	36	31
Commission expenses	22	12
Other	41	40
Total non-operating expenses	125	103
Ordinary profit	5,460	5,427
Extraordinary losses		
Loss on retirement of non-current assets	–	17
Loss on valuation of investments in capital	–	1
Loss on valuation of investment securities	6	–
Other	–	0
Total extraordinary losses	6	19
Profit before income taxes	5,453	5,408
Income taxes - current	1,714	1,984
Income taxes - deferred	(39)	(498)
Total income taxes	1,675	1,486
Profit	3,778	3,922
Profit attributable to non-controlling interests	0	–
Profit attributable to owners of parent	3,778	3,922

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Profit	3,778	3,922
Other comprehensive income		
Valuation difference on available-for-sale securities	(36)	29
Remeasurements of defined benefit plans, net of tax	93	(40)
Total other comprehensive income	57	(10)
Comprehensive income	3,835	3,911
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,835	3,911
Comprehensive income attributable to non-controlling interests	0	—

(3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	500	6,543	23,557	—	30,601
Beginning of period of company surviving absorption-type merger	(500)	(6,543)	(23,557)	—	(30,601)
Beginning of period of assumed the consolidated financial statements	1,000	459	35,967	(1,262)	36,164
Changes during period					
Dividends of surplus			(943)		(943)
Profit attributable to owners of parent			3,778		3,778
Purchase of treasury shares				(300)	(300)
Disposal of treasury shares				14	14
Changes by merger		(5)	(1,084)	1,089	—
Change in ownership interest of parent due to transactions with non-controlling interests		(0)			(0)
Net changes in items other than shareholders' equity					
Total changes during period	—	(5)	1,750	804	2,549
Balance at end of period	1,000	453	37,718	(458)	38,713

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	475	(236)	238	0	30,840
Beginning of period of company surviving absorption-type merger	(475)	236	(238)	(0)	(30,840)
Beginning of period of assumed the consolidated financial statements	501	(282)	218	0	36,383
Changes during period					
Dividends of surplus					(943)
Profit attributable to owners of parent					3,778
Purchase of treasury shares					(300)
Disposal of treasury shares					14
Changes by merger					—
Change in ownership interest of parent due to transactions with non-controlling interests					(0)
Net changes in items other than shareholders' equity	(36)	93	57	(0)	56
Total changes during period	(36)	93	57	(0)	2,605
Balance at end of period	464	(188)	275	—	38,989

Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,000	453	37,718	(458)	38,713
Changes during period					
Dividends of surplus			(1,285)		(1,285)
Profit attributable to owners of parent			3,922		3,922
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				2	2
Net changes in items other than shareholders' equity					
Total changes during period	–	–	2,636	2	2,638
Balance at end of period	1,000	453	40,354	(456)	41,352

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	464	(188)	275	38,989
Changes during period				
Dividends of surplus				(1,285)
Profit attributable to owners of parent				3,922
Purchase of treasury shares				(0)
Disposal of treasury shares				2
Net changes in items other than shareholders' equity	29	(40)	(10)	(10)
Total changes during period	29	(40)	(10)	2,628
Balance at end of period	494	(228)	265	41,617

(4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	5,453	5,408
Depreciation	1,539	1,488
Amortization of goodwill	141	141
Increase (decrease) in retirement benefit liability	65	125
Increase (decrease) in allowance for doubtful accounts	(7)	(3)
Increase (decrease) in provision for bonuses	(22)	(0)
Increase (decrease) in provision for warranties for completed construction	14	(18)
Increase (decrease) in provision for loss on construction contracts	10	225
Decrease (increase) in distressed receivables	2	–
Interest and dividend income	(51)	(59)
Interest expenses	25	18
Commission expenses	22	12
Insurance claim income	(0)	–
Loss (gain) on sale of non-current assets	–	0
Loss on retirement of non-current assets	–	17
Loss (gain) on sale of investment securities	–	4
Decrease (increase) in trade receivables	2,308	(4,230)
Decrease (increase) in inventories	2,681	(392)
Increase (decrease) in trade payables	(1,306)	1,029
Decrease (increase) in advances paid	(68)	(119)
Increase (decrease) in accounts payable - other	114	303
Decrease (increase) in consumption taxes refund receivable	10	(34)
Increase (decrease) in accrued consumption taxes	409	1,479
Increase (decrease) in deposits received	368	(405)
Other, net	(84)	316
Subtotal	11,627	5,305
Interest and dividends received	59	67
Interest paid	(26)	(19)
Proceeds from insurance income	0	–
Income taxes paid	(2,965)	(1,271)
Net cash provided by (used in) operating activities	8,694	4,081
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,145)	(910)
Proceeds from sale of property, plant and equipment	71	0
Purchase of intangible assets	(156)	(69)
Purchase of investment securities	(25)	(341)
Proceeds from sale of investment securities	–	100
Payments into time deposits	(1,272)	(686)
Proceeds from withdrawal of time deposits	586	686
Other, net	(1)	(10)
Net cash provided by (used in) investing activities	(1,942)	(1,231)

(Million yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Cash flows from financing activities		
Repayments of long-term borrowings	(925)	(658)
Commission fee paid	(21)	(12)
Dividends paid	(944)	(1,286)
Purchase of treasury shares	(300)	(0)
Net increase (decrease) in short-term borrowings	100	(300)
Other, net	(1)	(1)
Net cash provided by (used in) financing activities	(2,092)	(2,259)
Net increase (decrease) in cash and cash equivalents	4,658	590
Cash and cash equivalents at beginning of period	8,035	13,312
Cash and cash equivalents at beginning of period of company surviving absorption-type merger	(8,035)	–
Cash and cash equivalents at beginning of period of assumed the consolidated financial statements	8,653	–
Cash and cash equivalents at end of period	13,312	13,903